

**REMARKS**

Claims 1, 6, 8, 13 and 14 have been cancelled without prejudice or disclaimer.

Claims 2-5, 7, 9-12 and 15 have been amended in order to more particularly point out, and distinctly claim the subject matter to which the applicants regard as their invention. The applicants respectfully submit that no new matter has been added. It is believed that this Amendment is fully responsive to the Office Action dated December 17, 2001.

Attached hereto is a marked-up version of the changes made to the claims by the current amendment. The attached pages are captioned "**Version with markings to show changes made.**"

As to the merits of this case, claims 1 - 15 stand rejected under 35 USC 103(a) based on Stocker in view of Thompson. The applicants respectfully request reconsideration of this rejection.

As this time, the applicants and their undersigned representative thank Examiner W. Berry for taking the time to conduct a telephone conference with the applicants' undersigned representative on March 27, 2002, and for the courtesy extended by Examiner Berry to the undersigned.

The applicants' undersigned representative submitted copies of proposed claim amendments to the Examiner via facsimile prior to the telephone conference for his review.

During the conference, the applicants' claimed magnetic separation, and separation by sedimentation were discussed, the later being advantageous for the sludge remaining in the liquid. That is, according to the applicants' claimed invention, in separation by sedimentation, the sludge remaining in the liquid magnetically coagulates due to having been magnetized, and sinks due to its weight; thus, a thorough removal of the sludge from the liquid can be attained.

It was further submitted during such conference that the prior art does not teach the above-discussed separation by sedimentation and advantages or benefits derived therefrom.

It was further submitted during such conference that with respect to lines 30 - 39, column 2 in the Thompson reference, relied upon by the Examiner in the outstanding Action, the so-called "fluidized bed technique" taught in this portion of Thompson is not separation by sedimentation due to a coercive force of a magnetized sludge, which magnetically coagulate.

The Examiner thereafter acknowledged that such portion of Thompson does not teach the separation by sedimentation, as claimed by the applicants.

However, the Examiner indicated that he will need additional time to review the remaining portion of the Thompson reference and other prior art references, if any, prior to favorably considering the claims submitted to the Examiner for review.

Accordingly, the applicants respectfully submit herewith the claim amendments, previously submitted to the Examiner, for full consideration.<sup>1</sup>

In view of the above, the applicants respectfully submit that even if, *arguendo*, the teachings of Stocker and Thompson can be combined in the manner suggested by the Examiner, such combined teachings would still fall far short in fully meeting the applicants' claimed invention, as now set forth in the claims filed herewith. Thus, a person of ordinary skill in the art would not have found the applicants' claimed invention obvious under 35 USC 103(a) based on Stocker and Thompson, singly or in combination.

Accordingly, the withdrawal of the outstanding obviousness rejection under 35 USC 103(a) based on Stocker in view of Thompson is in order, and is therefore respectfully solicited.

If, for any reason, it is felt that this application is not now in condition for allowance, the Examiner is requested to contact the applicants' undersigned attorney at the telephone number indicated below to arrange for an interview to expedite the disposition of this case.

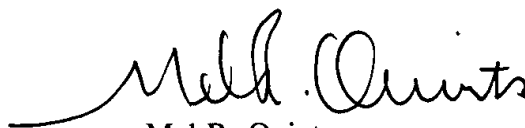
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<sup>1</sup>It respectfully noted that the claim amendments submitted to the Examiner for discussion in the telephone conference of March 27, 2002 are similar to the claim amendments submitted herewith, except that "resistant region" in line 3, claim 17 has been corrected to read "resistant resin."

In the event that this paper is not timely filed, the applicants respectfully petition for an appropriate extension of time. The fees for such an extension or any other fees which may be due with respect to this paper, may be charged to Deposit Account No. 01-2340.

Respectfully submitted,

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**23850**

PATENT TRADEMARK OFFICE

Enclosures: Version with markings to show changes made

**IN THE CLAIMS:**

Cancel claims 1, 6, 8, 13 and 14 without prejudice or disclaimer.

Amend claims 2-5, 7, 9-12 and 15 as follows:

2. (Amended) [The method according to Claim 1, further comprising] A method for grinding a magnetic member, comprising:  
a first step of grinding a magnetic member by grinding means having an edge including heat resistant resin and super hard abrasive grain while supplying grinding fluid to a grinding region;  
a second step of magnetically separating sludge from the grinding fluid drained from the grinding region; and  
a third step of separating the sludge from the grinding fluid by magnetic coagulation and subsequent sedimentation of the sludge.
3. (Amended) The method according to Claim [1]2, wherein  
the magnetic member includes a rare-earth alloy,  
the second step using magnetic separation means having a surface magnetic flux density not smaller than 0.25 T for separation of the sludge.

4. (Amended) The method according to Claim [1]2, wherein the grinding fluid is primarily made of water.
5. (Amended) The method according to Claim [1]2, wherein the grinding fluid after separation of the sludge is supplied to the grinding region for use in circulation.
7. (Amended) [The method according to Claim 6, wherein the sludge is further separated] A method for treating waste fluid, comprising:  
a step of separating sludge containing a rare-earth alloy from waste fluid by using magnetic separation means having a surface magnetic flux density not smaller than 0.25 T; and  
a step of separating the sludge from the waste fluid by magnetic coagulation and subsequent sedimentation of the sludge.
9. (Amended) [The apparatus according to Claim 8, further comprising] An apparatus for grinding a magnetic member, comprising:  
grinding operation means for grinding a magnetic member by using grinding means having an edge including heat resistant resin and super hard abrasive grain while supplying grinding fluid to a grinding region;  
magnetic separation means for separating sludge from the grinding fluid drained from the grinding region; and

a tank disposed on a downstream side of the magnetic separation means, for reception of the grinding fluid and sedimentation of magnetically coagulated sludge.

10. (Amended) The apparatus according to Claim [8]9, wherein the magnetic member includes a rare-earth alloy, the magnetic separation means having a surface magnetic flux density not smaller than 0.25 T.

11. (Amended) The apparatus according to Claim [8]9, wherein the grinding fluid is primarily made of water.

12. (Amended) The apparatus according to Claim [8]9, further comprising circulating means for supplying the grinding fluid after separation of the sludge to the grinding region for use in circulation.

15. (Amended) A rare-earth magnet obtained by using a grinding method: the method comprising; a first step of grinding a magnetic member by grinding means having an edge including heat resistant resin and super hard abrasive grain while supplying grinding fluid to a grinding region, [and] a second step of magnetically separating sludge from the grinding fluid drained from the grinding region, and a third step of separating the sludge from the grinding fluid by magnetic coagulation and subsequent sedimentation of the sludge.

Add claims 16 and 17:

16. A method for grinding a magnetic member, comprising:  
a first step of grinding a Nd-Fe-B rare-earth alloy by grinding means having an  
edge including heat resistant resin and super hard abrasive grain while supplying grinding fluid  
to a grinding region;  
a second step of magnetically separating fine-particle sludge from the grinding  
fluid drained from the grinding region; and  
a third step of separating the sludge from the grinding fluid by magnetic  
coagulation and subsequent sedimentation of the sludge.
17. A method for grinding a magnetic member, comprising:  
a first step of grinding a rare-earth alloy which includes a hard primary phase  
and a tough grain boundary phase by grinding means having an edge including heat resistant  
resin and super hard abrasive grain while supplying grinding fluid to a grinding region;  
a second step of magnetically separating sludge from the grinding fluid drained  
from the grinding region; and  
a third step of separating the sludge from the grinding fluid by magnetic  
coagulation and subsequent sedimentation of the sludge.